



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0575
---------------	--------

Title:	Providing Transparency for state-administered grants
---------------	--

Primary Sponsor:	Burnett, Tom
-------------------------	--------------

Status:	As Introduced
----------------	---------------

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$94,010	\$68,385	\$69,411	\$70,452
State Special Revenue	\$1,208	\$0	\$0	\$0
Federal Special Revenue	\$14,683	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$94,010)</u>	<u>(\$68,385)</u>	<u>(\$69,411)</u>	<u>(\$70,452)</u>

Description of fiscal impact: HB 575 requires state agencies to prepare a report that identifies grants disbursed by the agency each fiscal year including a list of specific information regarding the grants. The bill further requires the Office of Budget and Program Planning to collect, compile, analyze, and summarize the reports required by HB 575 for publication of an annual report, to provide the report electronically to the interim legislative committee, and to post the information on a searchable website on the Internet.

FISCAL ANALYSIS

Assumptions:

Board of Crime Control (BOCC)

- The BOCC would incur one-time expenses of \$8,000 to contract with a programmer to add new data fields and reporting to the agency's Grant Management Information System in order to meet the requirements of the bill. Funding would be needed from the general fund.

Department of Agriculture

2. The department would incur one-time expenses of \$7,000 to contract with a programmer to add new data fields and reporting to the online grants management database used by the department in order to meet the requirements of the bill. This system is also used by seven other state agencies. Funding would be needed from the general fund.

Department of Public Health and Human Services (DPHHS)

3. The department would incur one-time expenses of \$25,000 to contract with a programmer to add new data fields and reporting to the department's Contract and Grant Management System in order to meet the requirements of the bill. Funding would be 36.44% general fund, 4.83% state special revenue, and 58.73% federal special revenue.

Other State Agencies

4. Other affected state agencies may incur overtime or compensatory time to prepare the required reports but these costs are not anticipated to be substantial for any individual agency.

Office of Budget and Program Planning

5. The Office of Budget and Program Planning is required by HB 575 to collect, compile, analyze, and summarize the information into a report to be published electronically and published to a searchable website on the Internet. The cumulative effect of such legislation requires the addition of 1.00 FTE associate level budget analyst.
6. Salary and benefits for the FTE are estimated to be \$63,152 in FY 2016 and \$62,911 in FY 2017. One-time-only costs for the position would be \$1,275. Ongoing operating costs for the FTE are estimate to be \$1,742.
7. OBPP would develop a web-based application that would allow for collection of agency data directly into a database via a web-based form. The cost to implement, host, and maintain the database and application interface would include a one-time setup fee of \$424 and annual costs for database hosting, web hosting, licensing, and support would be \$3,732.
8. A 1.5% per year inflation factor is applied in the 2019 biennium.

Fiscal Impact:

FTE	1.00	1.00	1.00	1.00
------------	------	------	------	------

Expenditures:

Personal Services	\$63,152	\$62,911	\$63,855	\$64,812
Operating Expenses	\$46,749	\$5,474	\$5,556	\$5,639
TOTAL Expenditures	\$109,901	\$68,385	\$69,411	\$70,452

Funding of Expenditures:

General Fund (01)	\$94,010	\$68,385	\$69,411	\$70,452
State Special Revenue (02)	\$1,208	\$0	\$0	\$0
Federal Special Revenue (03)	\$14,683	\$0	\$0	\$0
TOTAL Funding of Exp.	\$109,901	\$68,385	\$69,411	\$70,452

Revenues:

General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$94,010)	(\$68,385)	(\$69,411)	(\$70,452)
State Special Revenue (02)	(\$1,208)	\$0	\$0	\$0
Federal Special Revenue (03)	(\$14,683)	\$0	\$0	\$0

Technical Notes:

- The report would represent grant funds actually "disbursed" during a fiscal year, but HB 575 is not clear as to what the report would require for multiple year grants as far as the amount and the date of the grant. Specifically, it is not clear:
 - if the "date of the grant" is the date it was signed, or the date of the disbursement;
 - how to address and report on multiple disbursements in a single year; and/or
 - if the "amount of the grant" would be for the total amount obligated for the grant, or just the disbursement in that fiscal year. Depending on the definition, it could cause a grant that spans multiple fiscal years to be double or triple counted.
- An August 1 reporting date is problematic in that the fiscal year closing date for each fiscal year typically falls between July 22 and July 25. This would not provide sufficient time for the agencies to compile the necessary data for the report. Subsequently, if agencies are unable to meet the August 1 deadline, OBPP may not be able to meet the September 1 deadline.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date